

TYSERS

International Insurance and Reinsurance Brokers

THE P&I UPDATE

DECEMBER '25

**RUNNING SCARED
OF THE WINTER**





TYSERS




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PLENTY OF WHIMPERING BUT FEW BARKS

RENEWALS FEBRUARY 2026 P&I GENERAL INCREASES RANGE FROM 5% TO 8%

As the Clubs seek to recover from the shock of the many large casualties in the 2024/25 year, there are some encouraging signs. However, most Clubs are still expected to suffer underwriting losses this year, and there is a general concern that the volatility of large claims could lead to another difficult year if the winter proves harsh. The saving grace has been the investment markets, with strong returns anticipated to more than offset the underwriting losses and push free reserves even higher than the US\$5.96bn recorded at the start of the year.

P&I general increases for 2026 range from 5% to 8%, with the average 6%, compared to 5.2% and 6.5% for the previous two years. Seven Clubs opted for 5% while The American Club and Steamship Mutual were the highest at 8%. Deductible increases will also be applied by all Clubs except Gard. The justification for the increases is social inflation, mainly affecting US personal injury claims, and general inflationary factors such as tariffs and trade disruption. The Clubs can manage this on lower attritional claims by adjusting deductibles as well as applying general increases, but the main challenge remains the extreme volatility of serious casualties in both number and size. Fortunately, most Clubs are extremely well capitalised and in a good position to absorb this volatility without any significant impact on their financial stability.

One or two Clubs are also becoming concerned about premium erosion due to an expected increase in churn, as the world fleet ages and high-paying



older vessels are scrapped (or cancelled due to sanctions) and replaced by new tonnage paying lower premiums. Overall, it is difficult to criticise the Clubs' approach to the 2026 renewals, although the loud bark from Steamship Mutual comes as a surprise, and we are disappointed that The Shipowners' Club has announced a 5% increase without any form of credit to members from its substantial free reserves.

There is also now a new concern that the DALI casualty in March 2024 (the collapse of Francis Scott Key Bridge in Baltimore) has the potential to exceed all the International Group's (IG) reinsurance of US\$3.1bn and result in the IG's first Overspill Call. This follows from a recent announcement that the bridge may not reopen before 2030 and the estimate for repair and related costs has increased to a range of US\$4.3bn - US\$5.2bn from the early original estimate of US\$1.7bn - US\$1.9bn.

POOL CLAIMS

At the halfway point of the current policy year, five Pool claims had been notified, compared to seven of considerably higher value last year. The total value of Pool claims for the 2025/26 year stood at US\$89m as of August 2025, compared to US\$165m for 2024. More recently, it has been reported that at the eight-month stage, claims are higher than during the same period for 2024/25, although the last quarter of 2024/25 saw a flurry of serious incidents. While the number of claims is down this year, values are elevated, and the IG will be hoping for a quieter winter to avoid another very expensive year.

An additional eight claims have been reported for 2024/25, bringing the total for that year to 23. There has also been deterioration on previously reported claims, with the total value of Pool claims increasing by US\$147m to US\$614m between February and August 2025. We understand that there has been considerable further deterioration in the third quarter, and with estimates now totalling US\$720m, the year is now as expected, the costliest Pool year on record.

Estimated Pool Claims (US\$m) – before ICR applied and excluding co-assurance/AAD

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------|------|------|------|------|------|------|------|------|
| After One Year | 306 | 259 | 463 | 399 | 75 | 136 | 467 | - |
| February 2025 | 481 | 551 | 687 | 674 | 213 | 243 | 467 | - |
| August 2025 | 480 | 548 | 690 | 677 | 212 | 274 | 614 | 89 |

SUPPLEMENTARY CALLS

This year only two Clubs have announced cash returns to members. Gard is keeping its Owners' General Discount for 2026 at 10% for the third year in a row and Britannia is returning 5% of gross premium, equivalent to US\$15m, to members who renew for 2026.

No Club has as yet, felt the need for additional unbudgeted calls, but there are ominous signs that the American Club will need a call for the 2024/25 year.

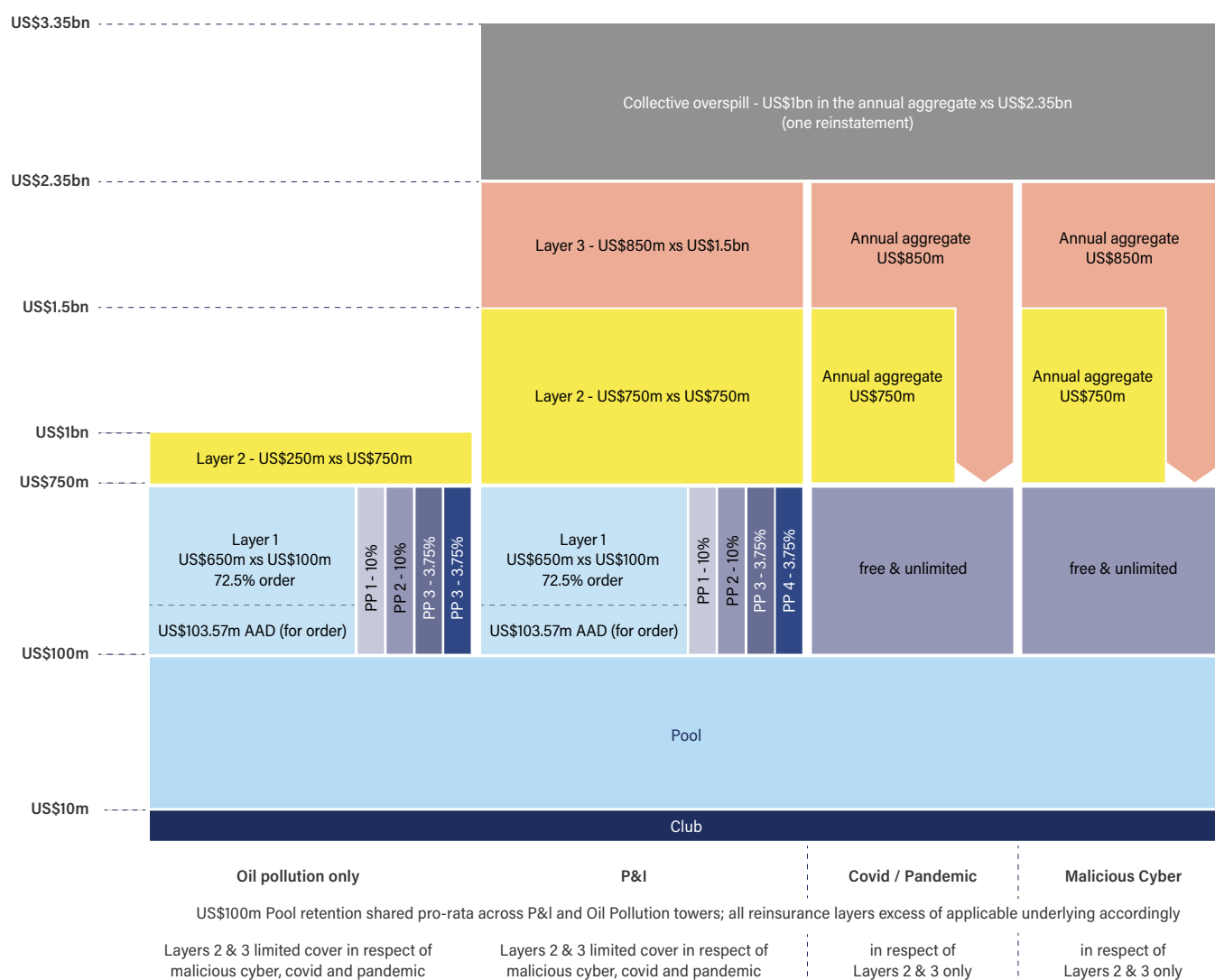
STANDARD AND POOR'S

The only change since our main 2025 Report is the recent improvement to the Swedish Club's outlook from stable to positive, with the rating remaining BBB+. The change is based on improving technical results and strengthening of the Club's capital base.



POOLING AND REINSURANCE 2026/27

There are no changes to Club retentions or the Pool for 2026. The Excess Loss contract has been subject to various changes, the major one being an increase in layer 3 from US\$600m excess of US\$1.5bn to US\$850m excess of US\$1.5bn, with the IG's Collective Overspill cover of US\$1bn now sitting excess of US\$2.35bn instead of US\$2.1bn. The chart below reflects all the changes for 2026.



EXCESS LOSS RATES

We understand there is little overall change to the total Excess Loss premium, but the IG has made substantial changes to the rates per vessel type to reflect the claims record on the reinsurance. Container vessels have been hit with a 15% rise, while all other categories except clean tankers enjoy reductions ranging from 5% to 8.5%.

| Category | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
|-------------------|---------|---------|---------|---------|---------|---------|
| Dirty Tankers | 0.5625 | 0.6469 | 0.6663 | 0.6163 | 0.6258 | 0.5758 |
| Clean Tankers | 0.2619 | 0.3666 | 0.4051 | 0.3982 | 0.4337 | 0.4337 |
| Dry Cargo Vessels | 0.4028 | 0.5639 | 0.5991 | 0.5863 | 0.6054 | 0.5751 |
| Passenger Vessels | 3.2624 | 3.8677 | 3.8677 | 3.3842 | 3.4390 | 3.1472 |
| Container Vessels | 0.4249 | 0.6586 | 0.7277 | 0.7204 | 0.8903 | 1.0237 |





P&I GENERAL/TARGET INCREASES 2017-2026

Target increases are included from 2022 and shown in red for those Clubs that have not declared an official general increase but have stated their overall premium increase requirement.

| | Shipowners* | Gard | Skuld | Britannia | London | American | Swedish | Steamship | West** | Japan | UK | North Standard |
|------------------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|----------------|
| 2017 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 2018 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 2019 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 0 | 0 | N/A |
| 2020 | 5 | 0 | 0 | 0 | 7.5 | 0 | 5 | 7.5 | 2.5 | 7.5 | 7.5 | N/A |
| 2021 | 5 | 0 | 0 | 0 | 10 | 5 | 5 | 5 | 7.5 | 10 | 10 | N/A |
| 2022 | 5 | 7.5 | 10 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 15 | 10 | 12.5 | N/A |
| 2023 | 0 | 7 | 10 | 10 | 0 | 10 | 10 | 7.5 | 10 | 10 | 10 | N/A |
| 2024 | 5 | 5 | 5 | 7.5 | 7.5 | 7.5 | 7.5 | 5 | 7.5 | 7.5 | 7.5 | 5 |
| 2025 | 0 | 4 | 5 | 7.5 | 5 | 7 | 5 | 5 | 5 | 7 | 6.5 | 5 |
| 2026 | 5 | 5 | 7.5 | 5 | 6 | 8 | 5 | 8 | 5 | 5 | 7.5 | 5 |
| Total 2017/2026 | 128 | 132 | 143 | 150 | 159 | 161 | 162 | 163 | 173 | 173 | 180 | N/A |

↓
Average 157

* Shipowners' increases are inclusive of changes to IG reinsurance costs.

** West increases were applied to premium net of group excess loss reinsurance costs until 2019.

The total shows the cumulative increase based on 2016 premium of 100.

FDD GENERAL/TARGET INCREASES 2017-2026

Target increases are included from 2022 and shown in red for those Clubs that have not declared an official general increase but have stated their overall premium increase requirement.

| | Japan | Shipowners' | Gard | UK | Skuld | West | London | Britannia | American | Steamship | Swedish | North Standard |
|--------------------|-------|-------------|------|-----|-------|------|--------|-----------|----------|-----------|---------|-------------------|
| 2017 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 2018 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 2019 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 2020 | 0 | 5 | 0 | 0 | 0 | 0 | 7.5 | 0 | 0 | 7.5 | 5 | N/A |
| 2021 | 0 | 5 | 0 | 5 | 0 | 7.5 | 10 | 0 | 5 | 5 | 10 | N/A |
| 2022 | 10 | 5 | 7.5 | 7.5 | 10 | 15 | 12.5 | 15 | 12.5 | 12.5 | 15 | N/A |
| 2023 | 10 | 0 | 7 | 5 | 10 | 15 | 0 | 15 | 10 | 7.5 | 15 | N/A |
| 2024 | 0 | 5 | 5 | 5 | 5 | 5 | 7.5 | 15 | 7.5 | 5 | 7.5 | 5 |
| 2025 | 0 | 0 | 4 | 5 | 5 | 0 | 5 | 0 | 7 | 5 | 5 | 5 |
| 2026 | 5 | 5 | 5 | 5 | 7.5 | 5 | 6 | 5 | 8 | 8 | 5 | 5 |
| Total 2017/2026 | 127 | 128 | 132 | 137 | 143 | 157 | 159 | 160 | 161 | 163 | 163 | N/A |

↓
Average 150

The total shows the cumulative increase based on 2016 premium of 100.



SUPPLEMENTARY CALL RECORD

(Original Estimate/Current Estimate)

| Policy Year | American | Britannia | Gard | Japan | London | North Standard | Shipowners' | Skuld | Steamship | Swedish | UK | West |
|-------------|----------|-----------|---------|-------|--------|----------------|-------------|---------|-----------|---------|-----|-------|
| 2017 | 0/17.5 | 45/45 | 25/0 | 40/40 | 0/0 | N/A | 0/0 | 0/-2.50 | 0/0 | 0/-4 | 0/0 | 35/35 |
| 2018 | 0/15 | 45/45 | 25/12.5 | 40/40 | 0/0 | N/A | 0/0 | 0/-2.50 | 0/0 | 0/-5 | 0/0 | 0/0 |
| 2019 | 0/35 | 45/45 | 0/-5 | 40/40 | 0/35 | N/A | 0/0 | 0/0 | 0/0 | 0/0 | 0/0 | 0/0 |
| 2020 | 0/60 | 0/0 | 0/-10 | 40/65 | 0/30 | N/A | 0/0 | 0/0 | 0/0 | 0/0 | 0/0 | 0/0 |
| 2021 | 0/70 | 0/0 | 0/-5 | 40/65 | 0/35 | N/A | 0/0 | 0/0 | 0/0 | 0/0 | 0/0 | 0/0 |
| 2022 | 0/35 | 0/0 | 0/-5 | 40/40 | 0/0 | N/A | 0/0 | 0/0 | 0/0 | 0/0 | 0/0 | 0/0 |
| 2023 | 0/0 | 0/0 | 0/-5 | 0/0 | 0/0 | N/A | 0/0 | 0/0 | 0/0 | 0/0 | 0/0 | 0/0 |
| 2024 | 0/0 | 0/0 | 0/-10 | 0/0 | 0/0 | 0/0 | 0/0 | 0/0 | 0/0 | 0/0 | 0/0 | 0/0 |
| 2025 | 0/0 | 0/0 | 0/-10 | 0/0 | 0/0 | 0/0 | 0/0 | 0/0 | 0/0 | 0/0 | 0/0 | 0/0 |
| 2026 | 0/0 | 0/0 | 0/-10 | 0/0 | 0/0 | 0/0 | 0/0 | 0/0 | 0/0 | 0/0 | 0/0 | 0/0 |

Called above Estimated Total Call

Called below Estimated Total Call

Called full Estimated Total Call

This table does not include capital distributions made by certain Clubs as these are not policy year specific and/or for the benefit of all members.

RELEASE CALLS

P&I Release Calls as at December 2025

| Policy Year | American | Britannia | Gard | Japan | London | North Standard | Shipowners' | Skuld | Steamship | Swedish | UK | West |
|-------------|----------|-----------|------|-------|--------|----------------|-------------|-------|-----------|---------|-----|------|
| 2023 | 15 | 0 | 5 | 3.5 | 5 | 0 | 0 | 7.5 | 0 | 5 | 5 | 7.5 |
| 2024 | 35 | 5 | 10 | 3.5 | 12.5 | 5 | 0 | 10 | 10 | 15 | 7.5 | 15 |
| 2025 | 20 | 7.5 | 10 | 15 | 15 | 12.5 | 0 | 15 | 15 | 15 | 10 | 15 |
| 2026 | 20 | 15 | 10 | 15 | 15 | 12.5 | 0 | 15 | 15 | 15 | 15 | 15 |

All release calls expressed as a percentage of estimated total premium.



AMERICAN STEAMSHIP OWNERS' MUTUAL PROTECTION & INDEMNITY ASSOCIATION, INC



P&I General increase

Target 8%

Deductibles below US\$25,000 to rise by US\$1,000

FDD General Increase

Target 8%

The Club has concluded that "the risk landscape of elevated claims costs which was identified several years ago has proven to be the new norm" and, while its "dynamic approach to risk assessment" manages the impact on direct claims, the volatility of Pool claims is proving too much of a challenge.

There is some good news; the 2023/24 year remains in surplus, and no additional call is

expected. However, it will likely be back to normal for 2024/25, as the recent increase in the release call from 20% to 35% strongly suggests that an additional call will follow in due course. For the current year, own claims are currently running within projections, but with winter still ahead, the Club considers it too early to make any predictions. No details have been provided about investment returns or entered tonnage.

To cover inflation and the volatility of large claims, the Club has set a target increase of 8% for mutual P&I and FDD, with no target set for fixed entries. For all classes, deductibles below US\$25,000 will rise by US\$1,000. The Chihuahua is a bit quiet at the moment and looking for a safe place to get through the winter.

THE BRITANNIA STEAM SHIP INSURANCE ASSOCIATION LIMITED



P&I General increase

Target 5%

Deductibles below US\$50,000 to rise by 10%, minimum increase US\$1,000

FDD General Increase

Target 5%

The Club reports that, in the current year, retained and Pool claims are largely within projections, although volatility remains a feature. Investment returns are running well but the Club's expense base has increased due to the weakening US dollar.

Despite the poor 2024/25 year, the Club believes it remains financially robust and

well-positioned for the future, and it is committed to using its financial strength to support members while it seeks to achieve breakeven underwriting "within a reasonable time frame." As a result, a further capital distribution of US\$15m will be made to members who renew into 2026.

For renewal, the Club has targeted a minimum 5% "pure rate increase" plus increased deductibles as noted above for P&I, with a 5% target also for FDD. The Bulldog has acted with laudable calm to the recent poor results, using its underlying strength to move forwards in controlled fashion.

ASSURANCEFORENINGEN GARD



P&I General increase

5%

FDD General Increase

Target 5%

The Club's half-year accounts to 30 June 2025 show a combined ratio of 117% on an ETC basis, compared to 93% for the same period last year, with P&I at 102% and Marine and Energy 136%. This is attributed to random large claims and is not considered a real cause for concern, as investment income of US\$190m (including taxation and other consolidated income) enabled the Club to achieve a surplus of

US\$75m net of Owners' General Discount, pushing free reserves up from US\$1,566m to US\$1,641m.

In view of its strong capital position, the Club has confirmed the Owners' General Discount for 2026 will continue at 10%. It appears satisfied with the overall position and P&I running at a small loss, but to maintain predictability and relative stability, a 5% general increase for P&I

has been deemed necessary to meet the development in claims. We understand the Club will also be targeting a 5% rise on its fixed FDD.

The Border Collie looks very relaxed and in no mood to go chasing sheep.

THE JAPAN SHIP OWNERS' MUTUAL PROTECTION & INDEMNITY ASSOCIATION



P&I General increase

5%

Standard deductibles increased:

Crew US\$5,000 to US\$6,000

Cargo US\$15,000 to US\$16,500

Others US\$10,000 to US\$11,000

FDD General Increase

5%

The Club reports that total owned tonnage remains around 85m GT. While underwriting results have been improving, there is some concern that the upward trend in claims will continue due to global inflation. Pool claims from other Clubs are

becoming a burden, and churn is affecting premium income.

As a result, the Club has decided on a 5% general increase for P&I, all chartered covers and FDD, while the Naiko class (Japanese coastal vessels) is subject to

a 10% increase. P&I deductibles are also subject to various increases as shown above. The Poodle is whimpering a lot but holding its nerve.



LONDON STEAMSHIP OWNERS' MUTUAL INSURANCE ASSOCIATION LTD



P&I General increase

Target 6%

Deductibles under US\$20,000 to rise by minimum US\$2,000.

FDD General Increase

Target 6%

The Club has provided a somewhat vague summary of its results for the first half of the current year. Retained claims above US\$1m and the cost of Pool claims are marginally ahead of projections, resulting in a "modest" underwriting deficit. The second half of the year is so far running in line with expectations, and if this continues, we are told the Club's three-year average combined ratio

including 2025/26, will drop below 100%. As the ratios for the two prior years were 83% and 102%, we can only assume the current year will not be good, which may explain the Club's reluctance to give any firm expected figure. Tonnage growth of 9% is projected for the full year.

The half-year underwriting deficit was offset by a 4.5% investment return, and free reserves rose from US\$171m to

US\$180m. The return has since increased to 7% after eight months.

Inflation and the potential impact of higher severity claims are the reasons for a targeted increase of 6%, and deductibles will rise as noted above. FDD rates will also rise by a targeted 6%. We feel the Cocker Spaniel could do with some training in getting to the point in a straighter line.

NORTHSTANDARD



P&I General increase

5%

Deductibles below US\$30,000 to rise by a minimum US\$1,000.

FDD General Increase

5%

The Club has reported an improved performance for the first six months of the 2025/26 year. Retained claims have had a more benign experience, mainly due to the reduced number and cost of claims over US\$1m. There were eight such claims by August, compared to 18 in the previous year, and one Pool claim on a quota share entry. The Club notes that the Pool continues to exhibit volatility and, while the number of claims is down, there are two very expensive casualties so far.

It comments that "while the first half of the year is encouraging; large claims remain inherently volatile and unpredictable particularly with the approach of the northern hemisphere winter."

A combined ratio of 104% is forecast for the full year, which would have been around 110% without the strong results on its speciality lines which are running at under 90%. The Club continues to develop new products under its diversification programme, with

Upstream property damage and Energy and Marine Liabilities the latest offerings.

The investment return to date has been 6.8%, and free reserves are expected to grow by around US\$100m to US\$900m by year end. In view of economic and social inflationary pressures, the Club has opted for a 5% general increase for both P&I and FDD, with P&I deductibles rising as shown above. Thankfully, the Rottweiler looks to be in a good mood as it continues to grow.

THE SHIPOWNERS' MUTUAL PROTECTION & INDEMNITY ASSOCIATION



P&I General increase

5%

All deductible to increase by 10%, minimum US\$500

FDD General Increase

5%

For the six months to 30 June 2025, the Club reported a combined ratio just under 100%, compared to 96% for the same period last year. The deterioration is attributed to the impact of inflation on both claims and claims handling costs, and to a lower level of improvement in prior year claim reserves than forecast. Overall, the claims environment was considered relatively stable, with no claims over US\$5m in the current policy year. An excellent half-year investment return of US\$48m (5.4%) has seen free reserves grow from US\$447m to US\$496m.

However, by the end of the third quarter of 2025 total claims with a value under US\$3m are at their highest level since the Covid-hit 2020, although there have still been no very serious incidents. With prior years claims developing ahead of budget, the Club expects the combined ratio for the 2025 financial year will be over 100% although the investment performance is described as "favourable".

The Club feels that the impact of inflation and the expected negative combined ratio warrant a general increase of 5%, as well as an increase in deductibles. As usual, the increase includes any change to the Excess Loss reinsurance rates. This

is somewhat disappointing, as despite the expected technical loss, free reserves will still likely be higher at year-end than last year's already substantial \$447m. Indeed, the Club states that the Board recognises the continued growth in free reserves and will review the level of capital required, but this begs the question why the review has not already been done. The Dachshund needs to be careful to avoid back problems with the weight of the capital it is carrying.

The Club has also announced that CEO, Simon Peacock, will be retiring next year, with current CFO, Marcus Tarrant, taking over in June 2026.



ASSURANCEFORENINGEN SKULD



P&I General increase

Target 7.5 %

FDD General Increase

Target 7.5 %

The Club's half-year accounts show a significant improvement on last year. The combined ratio was 99% across all business lines, resulting in a technical surplus of US\$3m (last year US\$30m deficit), and an investment return of 4.3% saw free reserves grow from US\$562m at 20 February to US\$596m. The Club did suffer one Pool claim, and warned that the ongoing volatility of claims

costs highlights the need for further rate adjustments.

In its renewal update, the Club cautions that the overall claims environment remains unsatisfactory and expects claims activity to increase over the winter. It believes premiums are not adequate to cater for the escalation in large claims, nor the increasing complexity of global trade and inflationary pressures.

However, it notes that the Club's growth in recent years has helped absorb some of the claims volatility, and continued growth remains a fundamental ambition.

The Club has targeted an overall 7.5% increase in premiums and will also raise lower deductibles to minimum standard levels - firm protective action you would expect of the German Shepherd.

STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION LIMITED



P&I General increase

8%

All deductibles to apply also to claims handling costs.

FDD General Increase

8%

Minimum deductible up from US\$7,500 to US\$10,000, and maximum up from US\$50,000 to US\$75,000

The Club was again the first to announce its renewal strategy and was perhaps hoping to influence other Clubs, as its 8% general increase for all covers is certainly higher than expected and comes with the changes to deductibles summarised above.

Own claims for the first half of the 2025/26 policy year are significantly higher than budgeted, driven by an increase in large claims including one

Pool claim and another where this Club has a quota share with other Clubs. Attritional claims (under US\$250,000) are similar to last year. Prior year claims on all business classes and contributions to other Clubs' Pool claims have also deteriorated beyond budget. The investment return at 20 September was a welcome US\$65m (4.3%), and owned tonnage at 20 October was up 5m GT to 139m GT.

The Club is clearly concerned with the increase in claims in both the current and past years, and this is reflected not only in the size of the general increase but also in the rise in the release call for 2025/26 from 10% to 15%, and the decision not to make any capital distribution, which is normally announced prior to renewals. The Doberman is looking a bit scared at the moment and needs handling with care.

THE SWEDISH CLUB



P&I General increase

5%

All deductibles below standard minimum to rise by minimum US\$2,500.

Standard minimums: Cargo US\$17,500, Crew US\$10,000, 3rd Party US\$30,000, Other US\$15,000.

Deductibles to apply to legal costs and expenses.

FDD General Increase

5%

The Club reported a solid result for the first half of the 2025 calendar year, with a combined ratio of 97% and an investment return of US\$25m pushing free reserves up to US\$246m. Its November renewal report indicates a continuing encouraging trend, with lower claims frequency and reduced cost per vessel, although the average cost per claim remains elevated. Retained large claims have so far been limited, and Pool claims in 2025 are broadly within expectations.

However, there is upward pressure on claims costs due to inflation. Investment returns continue to be "supportive" and strengthen the Club's financial position, but the Club cautions that markets remain volatile and cannot be relied upon to offset underwriting losses.

The Club is concerned that geopolitical tensions and changing trade patterns may add further uncertainty to claims development and, with continued claims inflation, has decided on a 5% general

increase for both P&I and FDD, along with adjustments to deductibles as outlined above.

Owned tonnage is up slightly at 55.3m GT, but overall tonnage has remained broadly unchanged. The Jack Russell appears happy with the financial results for the year so far and with the loyalty of the existing membership but is going hungry in terms of new business.



THE UNITED KINGDOM MUTUAL STEAM SHIP ASSURANCE ASSOCIATION (BERMUDA) LIMITED



P&I General increase

7.5%

Deductibles under US\$50,000 targeted to rise by 10%, minimum increase US\$1,000.

FDD General Increase

5%

The Club reports that after eight months, its financial performance is generally in line with projections, but Pool claims are developing at a faster rate than anticipated. Investment returns are not disclosed but we are told they are “strong” and have increased free reserves to over US\$500m. As reserves stood at US\$494m in February, it looks like the combined ratio will be well over 100%, following last year's 116%.

The 2024 result was attributed to a higher frequency and severity of Pool losses and an increase in large loss severity. Attritional loss and general expense inflation continue at around 4% per annum, and the Club concludes that these factors show the requirement for further rate increases. As is the norm, the Club has come out on the high side and opted for a P&I general increase of 7.5%, plus the targeted increase in deductibles shown above. The Labrador

has again confirmed its big appetite for large premium increases and will also be licking its lips at the recently announced merger talks between UK and the TT Club, both managed by Thomas Miller. This merger would create a diversified operation of substantial scale, with free reserves of around US\$800m.

The UK Defence Club has also announced a 5% general increase for FDD, but is keeping the continuity credit at 10%, with a further 5% for full fleet entries.

THE WEST OF ENGLAND SHIPOWNERS' MUTUAL INSURANCE ASSOCIATION (LUXEMBOURG)



P&I General increase

5%

All deductibles under US\$50,000 to increase by 10%.

FDD General Increase

5%

The Club reports that its own claims for the 2025/26 policy year are within the initial forecast, and back year claims experience has generally been favourable. Pool claims and an increase in expenses due to a weakening of the US Dollar against the Club's main operating currencies have contributed to an expected combined ratio of just under 100% for the financial year.

After eight months, the investment return was 5.9% or US\$49m, and the Club expects free reserves to rise from US\$306m to over US\$360m by February 2026, with its Solvency Capital Ratio also due to improve from 190% to around 195%. Premium is forecast to exceed US\$400m, more than 15% higher than last year.

Despite the strengthened capital position, the Club remains wary of the volatile claims environment and inflationary pressures, and has decided on a 5% general increase for P&I and FDD, as well as increased P&I deductibles as noted above. Non-mutual covers are not subject to any standard increase. The Flat-Coated Retriever is happy as ever and looks to be in robust health.





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